COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT FILING OF LOUISVILLE GAS AND)	
ELECTRIC COMPANY AND KENTUCKY)	CASE NO.
UTILITIES COMPANY OF A SPECIAL)	2007-00449
CONTRACT FOR FIRM GAS SALES)	
AND FIRM TRANSPORTATION SERVICE)	

<u>O R D E R</u>

On October 1, 2007, Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") filed a proposed special contract for Firm Gas Sales and Firm Transportation between LG&E's Gas Distribution Business and LG&E's and KU's Electric Generation Businesses. They proposed that the special contract become effective November 1, 2007.

Based on a review of the contract, the Commission finds that an investigation will be necessary to determine the reasonableness of the proposed contract and that such investigation cannot be completed by November 1, 2007. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the contract for a period of 5 months.

IT IS THEREFORE ORDERED that:

- 1. This proceeding is established to investigate the reasonableness of the proposed special contract.
- The proposed special contract is suspended up to and including March 31,
 2008.

Done at Frankfort, Kentucky, this 19th day of October, 2007.

By the Commission

ATTEST:

Robert a Smath for the Executive Director